
RESERVES AND BALANCES – UPDATE AS AT 31 DECEMBER 2019

1 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to advise Members of the overall level of reserves held by the Council as well as providing detail on the monitoring of the earmarked balances held within the General Fund.
- 1.2 The Council has a total of £187.139m unusable reserves that are not backed with resources. They are required purely for accounting purposes.
- 1.3 At 31 March 2019 the Council had a total of £55.528m of usable reserves. Of this:
- x £1.696m relates to the Repairs and Renewals Fund
 - x £4.352m relates to Capital Funds
 - x £49.480m was held in the General Fund, with £42.936m of this balance earmarked for specific purposes.
- 1.4 Of the earmarked balance of £42.936m:
- x £32.294m is invested or committed for major initiatives/capital projects
 - x £3.752m has already been drawn down
 - x £2.981m is still to be drawn down in 2019-20
 - x £3.709m is planned to be spent in future years
 - x £0.200m is no longer required and has been released back to the general fund

Appendix 1 provides further information on the unspent budget earmarkings.

- 1.5 The Council's General Fund contingency level is set at 2% of net expenditure for 2019-20 which equates to £4.838m. At the beginning of the financial year there was £1.706m of unallocated General Fund Balance (over and above contingency). After taking into consideration the balances no longer required, the agreed supplementary estimates, the current forecast outturn for 2019-20 and the Loans Fund review estimated savings, the Council is forecast to have a £1.822m contingency balance by the end of the year.

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Enforcement action for Planning, Housing & Regulatory Services	24
Kintyre Recycling Ltd to continue with kerbside service delivery	33
Fyne Futures to continue with kerbside service delivery	37
Agreed Supplementary Estimates	94

- 3.3.5 The review of loans charges in association with Treasury Advisors, Link Asset Services is now complete. It is estimated that this will provide savings in 2019-20 of £2.5m. The findings were presented to the elected member seminar on 27 January however note that this saving is subject to member approval.
- 3.3.6 The Council's General Fund contingency is set at 2% of net expenditure for 2019-20 and amounts to £4.838m. At the beginning of the financial year there was £1.706m of unallocated General Fund Balance (over and above contingency). After taking into consideration the balances no longer required, the agreed supplementary estimates, e W n BT 2 0 Td (,)Tith Tr,of t14 (t)2 2 1(10 (t)2 (es)]T

5. IMPLICATIONS

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| 5.1 | Policy - | Earmarked funds and funds set aside for delivery of Single Outcome Agreement are available to support Council Policy. |
| 5.2 | Financial - | Outlines the balances held with the Council's usable and unusable reserves. |
| 5.3 | Legal - | None. |
| 5.4 | HR - | None. |
| 5.5 | Fairer Scotland Duty- | None. |
| 5.6 | Risk - | A contingency of £4.838m (equivalent to 2% of net expenditure) has been set aside as part of the general fund. This has been subject to a risk assessment. |
| 5.7 | Customer Service - | None. |

Kirsty Flanagan
Section 95 Officer
13 February 2020

Policy Lead for Financial Services and Major Projects - Councillor Gary
Mulvaney

APPENDICES

Appendix 1 – Earmarked Reserves breakdown of unspent budget